



# Revenue Raising Measures

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City of New Orleans

December 2018

# Working Together to Improve our Quality of Life

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New Orleans can't become the city we all want it to be unless we work together to fund and improve basic city services.

Investment in the people and the infrastructure of New Orleans is common sense, and it makes business sense.

- It is a national best practice to focus hospitality tax revenue on necessary city services.
- No other city has such a large percentage of its hospitality revenue diverted away from city services.
- For the city to grow and thrive, we need to focus on investing in the basic needs of the city.

# Strategy

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- Communications
- Outreach
- Policy
- Research Needs
- Timeline

# Policy

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This is not a zero-sum game: all options are on the table to get a win-win-win.

- Hospitality industry is a partner in this
- Change has to happen: looking for the best way to help the most people

Review of some of the revenue raising proposals that our team has brainstormed.

As a second first step, we'd like to begin to work these through with you.

# Potential State Legislative Vehicles

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- Graduated transfer of 1.75% self-assessment

Expected Revenue: \$16.3M

- Cap of \$10 M on 1.75% self-assessment

Expected Revenue: \$6.3M

- Reallocation of 1.75% to provide for .75% to Association; 1 % to City

Expected Revenue: \$10.8M (\$8.1M in new money; \$2.27 in old money)

		2014	2015	2016	2017
Assessment*	1.75% to members	\$5,414,274	\$18,236,730	\$18,500,605	\$18,971,976

# Potential State Legislative Vehicles

- Direct MCC reserves generated by excise taxes to City held escrow

Expected Revenue: ~\$20-25M

- Increase hotel occupancy by 1%

Expected Revenue: \$13.6M

Compared to Neighboring Cities

City	State	County/ Parish	City	Special District	Total	Notes
Atlanta, GA	GA	Fulton	9.00%		16.00%	
Birmingham, AL	AL	Jackson	6.50%		17.50%	\$5 per night excise tax
Dallas, TX	TX	Dallas	7.00%	2.00%	15.00%	
Houston, TX	TX	Harris	7.00%	2.00%	17.00%	
Los Angeles, CA	CA	Los Angeles	10.00%		13.33%	
Memphis, TN	TN	Shelby	5.00%		17.75%	
Orlando, FL	FL	Orange	7.00%		13.00%	
Seattle, WA	WA	King	8.00%		17.00%	
Nashville, TN	TN	Davidson	8.25%		15.25%	Additional \$2.50 per night city hotel excise tax
New Orleans, LA	LA	Orleans	1.00%	1.75%	15.20%	Max \$1 city & state tax, max \$2 NOH-HA excise tax

- Increase STR tax rate by 6.75% to equalize to large hotels at total of 15.2% rate of taxation

Expected Revenue: ~\$7.3M (very rough estimate depending on Council action)

## Potential Local Vehicles

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- Redirect NOMTC's contribution from Harrah's

Expected Revenue: ~\$2M

- MCC contributes from its reserves

Expected Revenue: ~\$10M

- Special assessment district in the CBD

Action Required: CEA with DDD

## Potential Local Vehicles

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- Create additional \$1 per night fee on large hotels

Expected Revenue: \$5M

- Increase sales tax on hotels by .5% increase to equal 4.5% \*

Expected Revenue: \$6.9M

- Redirect City Hotel Occupancy Privilege Tax

Expected Revenue: \$5.3M

